

Financial Results for Q2 FY2016

Announcement date: November 10, 2016



Recruit Holdings Co., Ltd.

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Company Profile
Business Segments & Major Services
Market Environment

1. Q2 FY2016

Consolidated Financial Highlights

1-(I) Highlights



Consolidated Financial Results
Net Sales & EBIDTA: Double-digit Increase



Market Media Net Sales
Real Estate & Beauty Business lead +9.2% growth



Indeed's Net Sales in Local Currency
Continuous High Growth +68.5%



Staffing Net Sales: Both in Japan & Overseas
Double-digit High Growth

※Overseas Staffing achieved an increase of 18.0% in local currency

1-(Ⅱ) Consolidated Earnings Summary

- Net sales and EBITDA achieved double-digit increase YoY
- Steady growth toward full-year forecast

(JPY Bn)	FY2015	FY2016			
	Q2 YTD	Q2 YTD*	YoY Change	Full-Year Forecast** revised on July 27	YoY Change
Net Sales	736.4	814.5	+10.6%	1,830.0	+15.2%
EBITDA*1	93.7	104.2	+11.2%	223.0	+10.3%
EBITDA margin	12.7%	12.8%	+0.1pt	12.2%	-0.4pt
Operating income	52.2	58.4	+11.7%	117.0	+2.6%
Ordinary income	55.1	60.6	+9.8%	122.0	+2.2%
Net income attributable to owners of the parent	32.4	47.8	+47.3%	74.0	+14.7%
Net income before amortization of goodwill*2	55.4	71.8	+29.7%	128.5	+14.2%
Adjusted net income*3	54.8	60.6	+10.6%	124.5	+5.2%
Adjusted EPS (JPY) *4	97.07	108.77	+12.1%	223.47	+6.6%

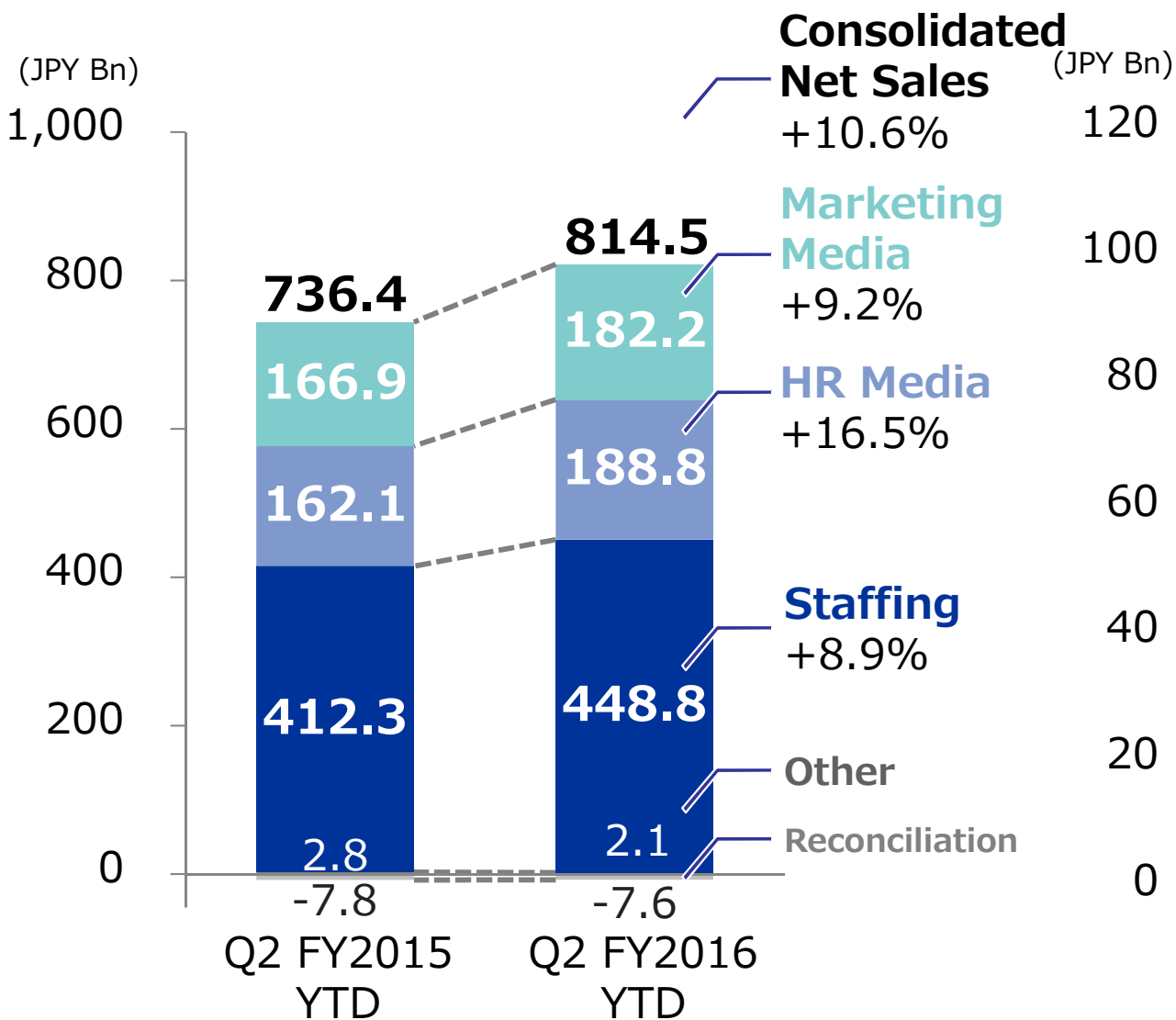
* Average foreign exchange rates of the second quarter: JPY 111.70 /USD (Q2 FY2015: JPY 120.30 /USD), JPY 81.88 /AUD (Q2 FY2015: JPY 94.00 /AUD)

** Assumed foreign exchange rates for FY2016: JPY115.00/USD, JPY81.00/AUD, JPY125.00/EUR (Assumed foreign exchange rates for consolidation of USG People B.V.: JPY117.00/EUR)

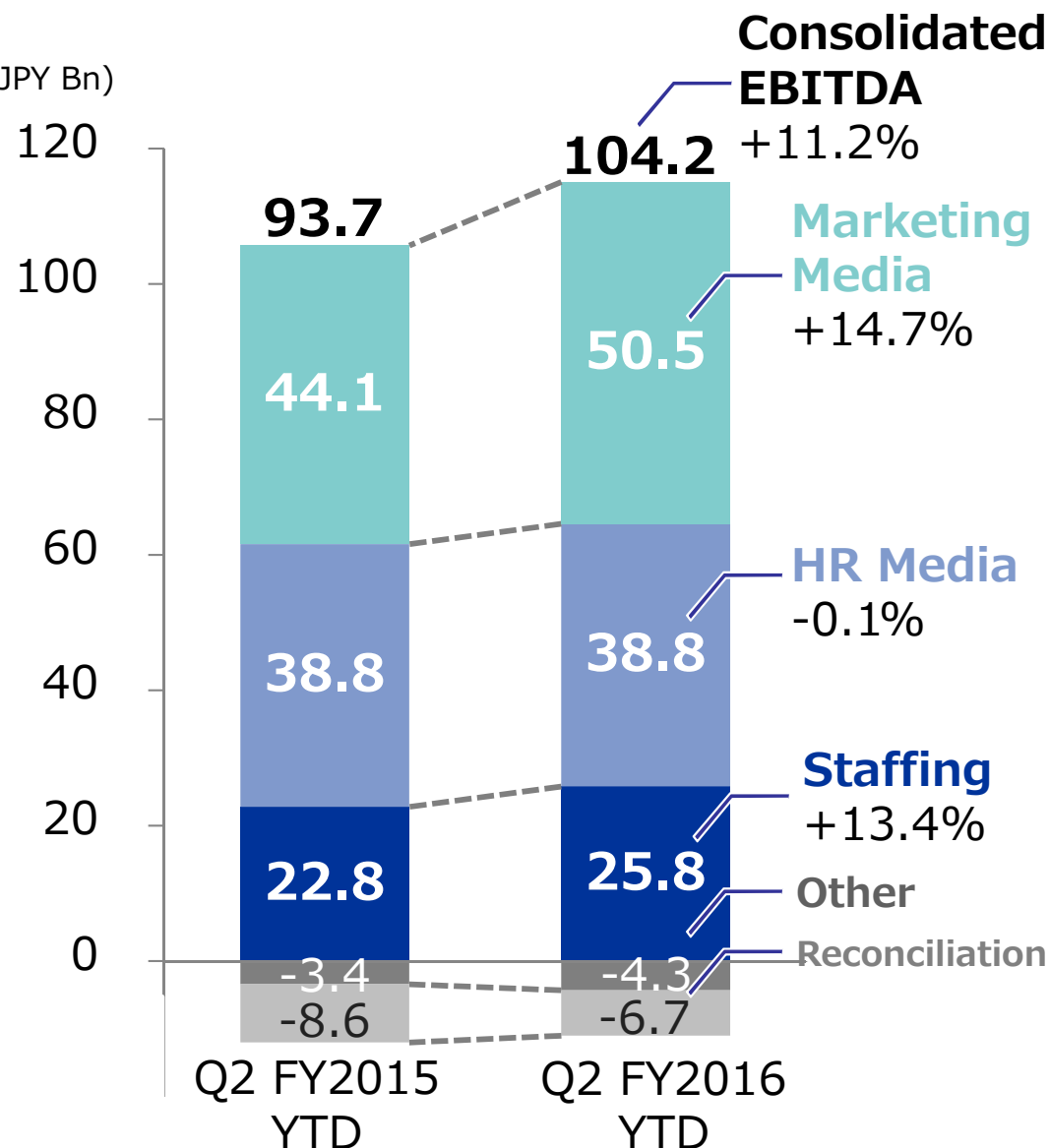
*1-4: Please refer to P.31 Notes

1-(Ⅲ) Segment Net sales & EBITDA

Segment Net Sales



Segment EBITDA



2. Earnings Results by Segment for Q2 FY2016

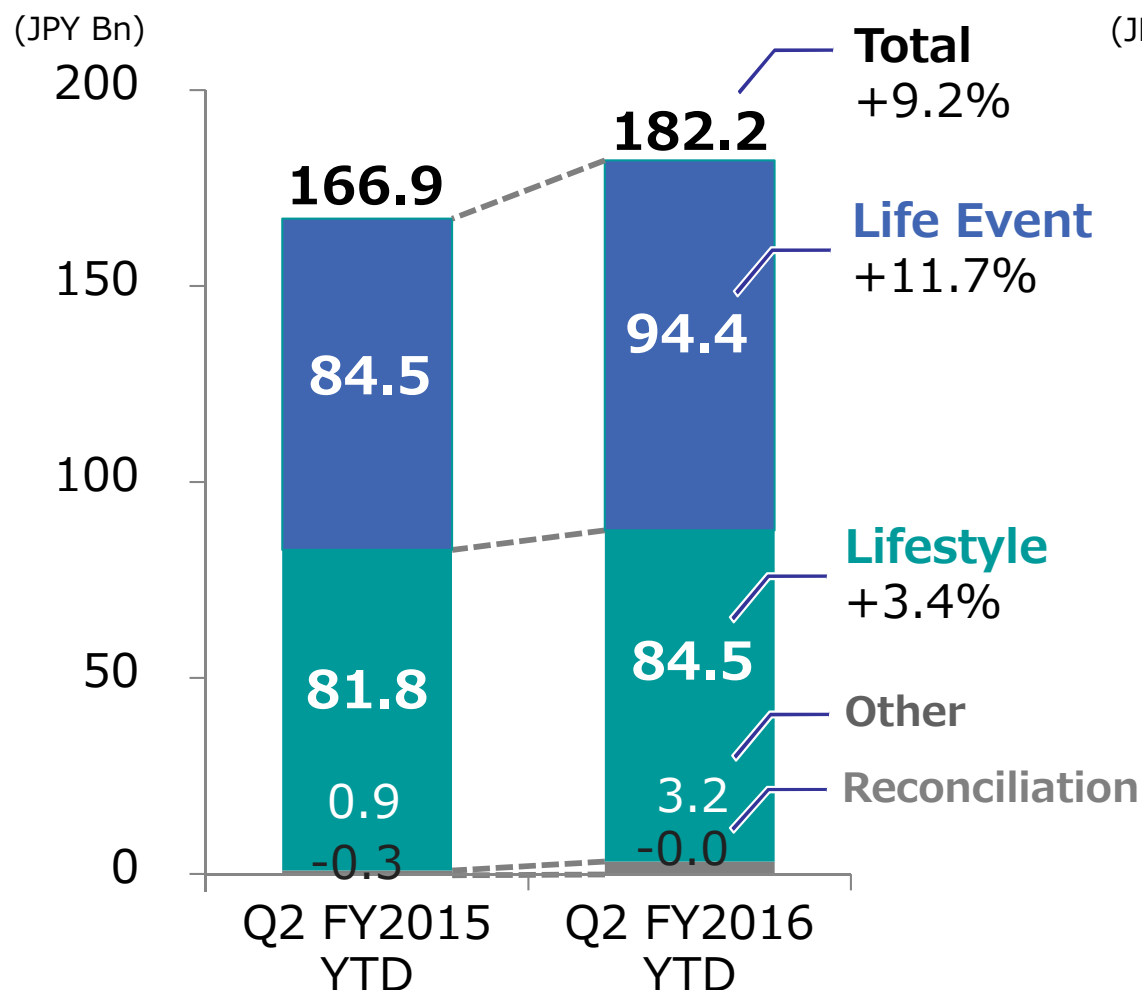
2. Earnings Results by Segment for Q2 FY2016

(I) Marketing Media

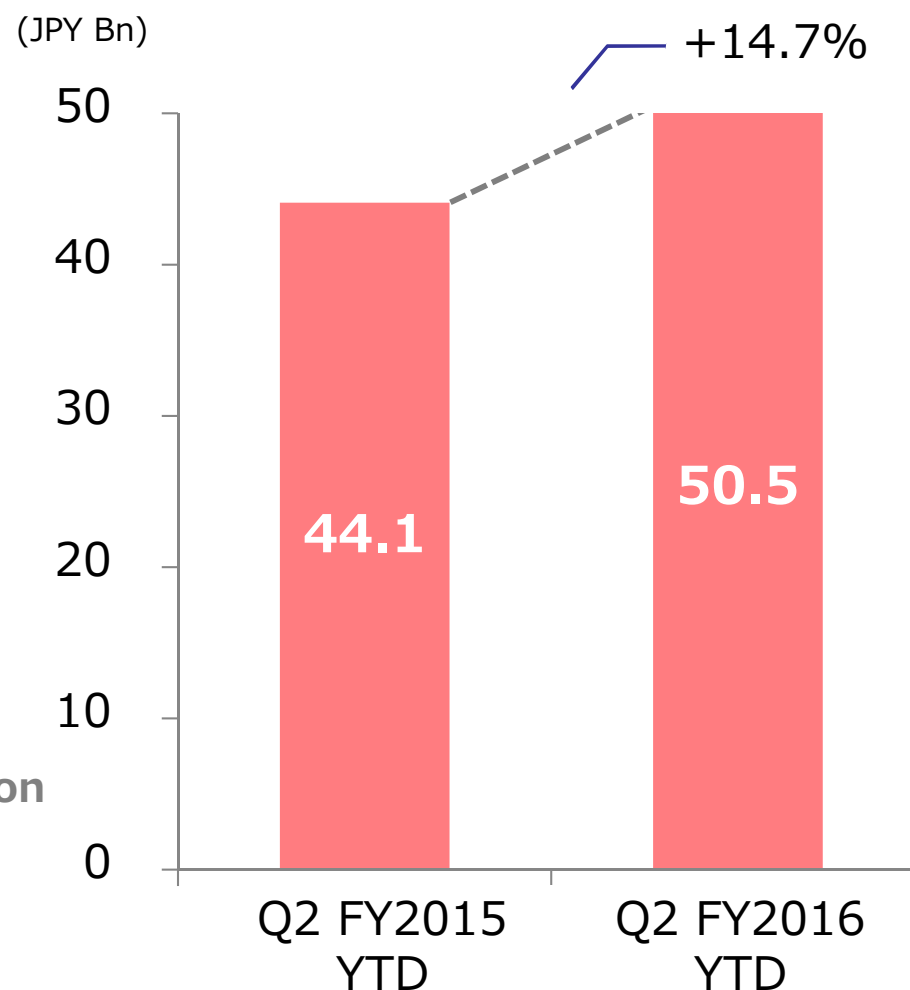
2-(I) Marketing Media Net Sales & EBITDA

- Net sales : Favorable results both in Life Event and Lifestyle, +9.2% YoY
- EBITDA : Double-digit growth due to net sales increase

Marketing Media Net Sales



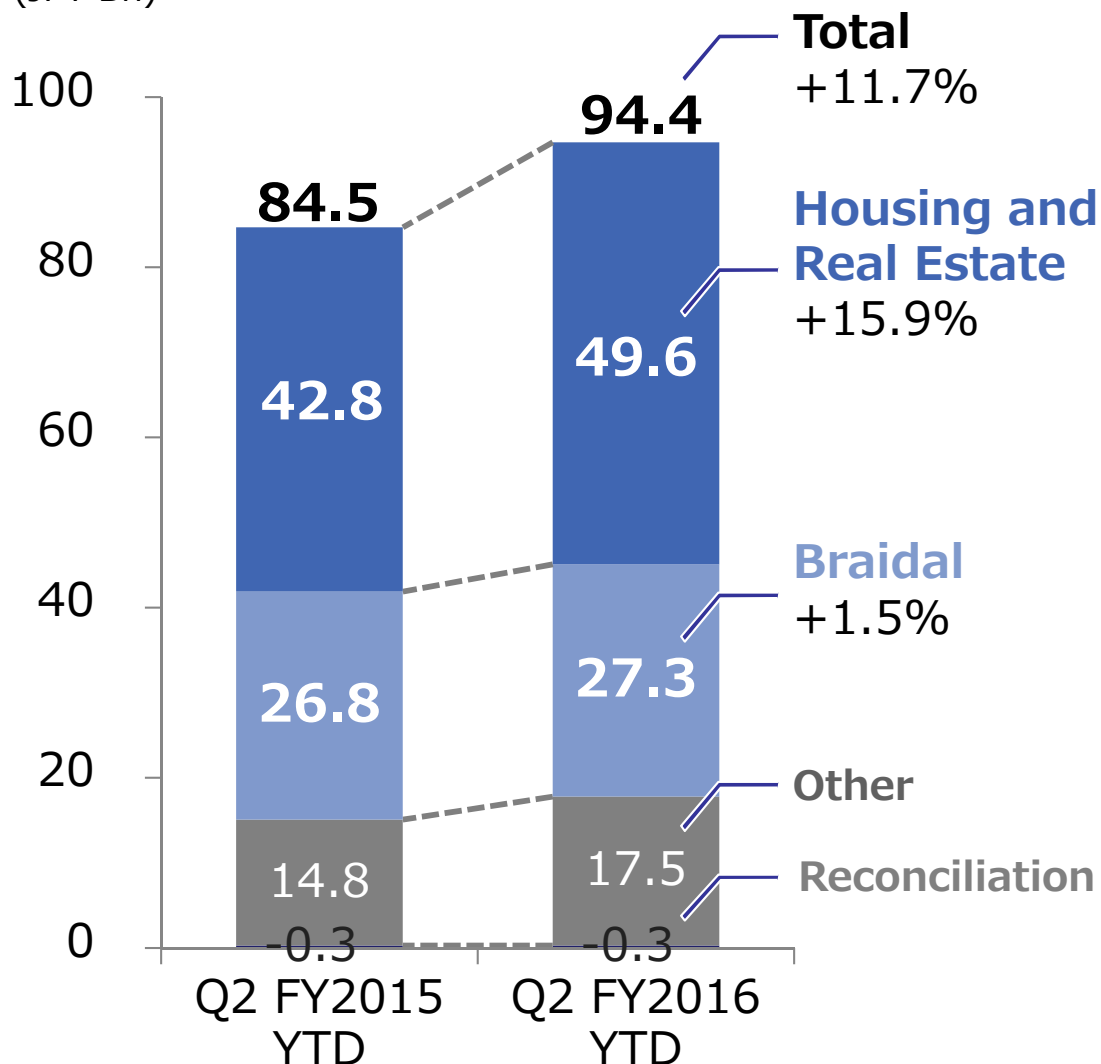
Marketing Media EBITDA



2-(I) Marketing Media: Life Event Operations

Life Event Net sales

(JPY Bn)

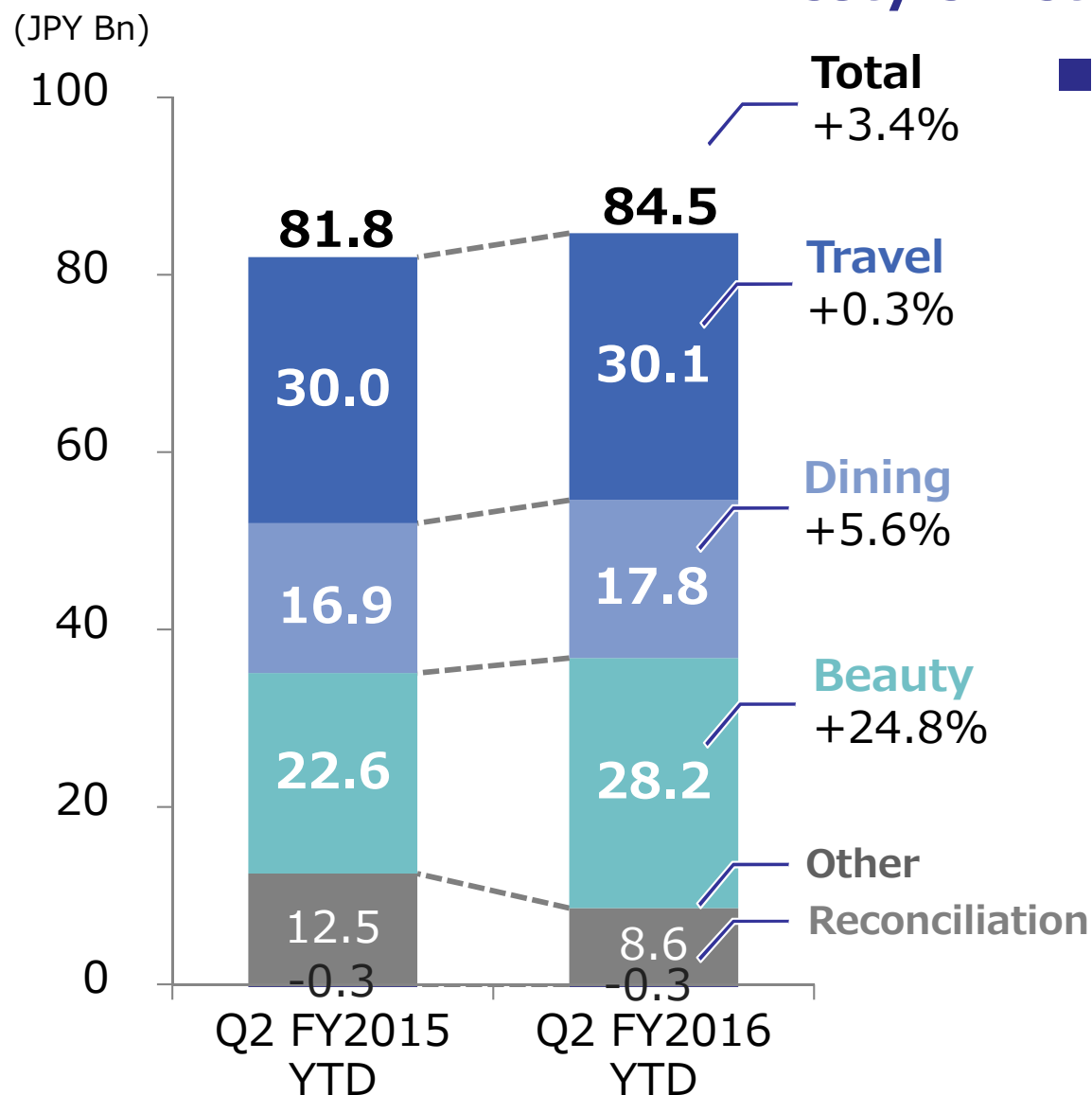


■ Favorable net sales

- Housing and Real Estate business trended favorably in its major business - new condominium apartment division, independent housing division, and leasing division.
- Bridal business was stable reflecting customer acquisition needs of its major clients.

2-(I) Marketing Media: Lifestyle Operations

Lifestyle Net Sales



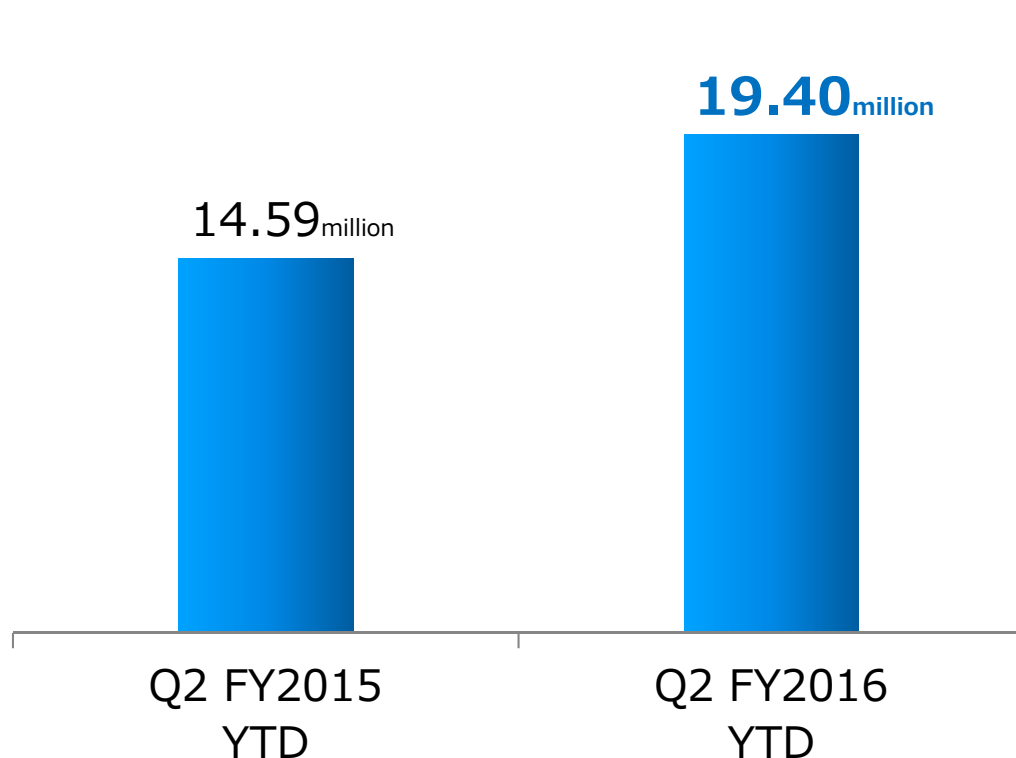
■ Favorable net sales

- Travel
 - Remain flat due to an impact from the transfer of Yuko Yuko Corporation's shares
- Dining
 - Favorable trend
 - Number of small and medium sized clients increased owing to online reservation's steady growth
- Beauty
 - Favorable trend
 - Continuous steady growth of online reservation brings about an increase of transaction with existing clients and new clients acquisition

(Topics: Domestic Business)

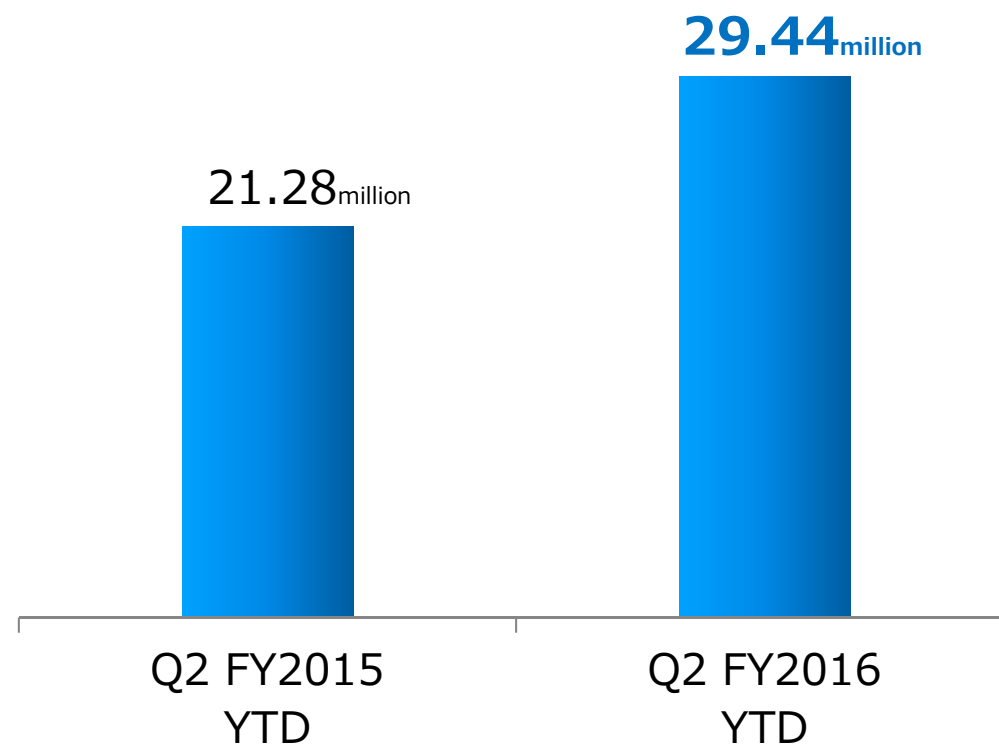
■ Dining Business

HotPepper Gourmet # of seats reserved online *



■ Beauty Business

HotPepper Beauty # of online reservations*

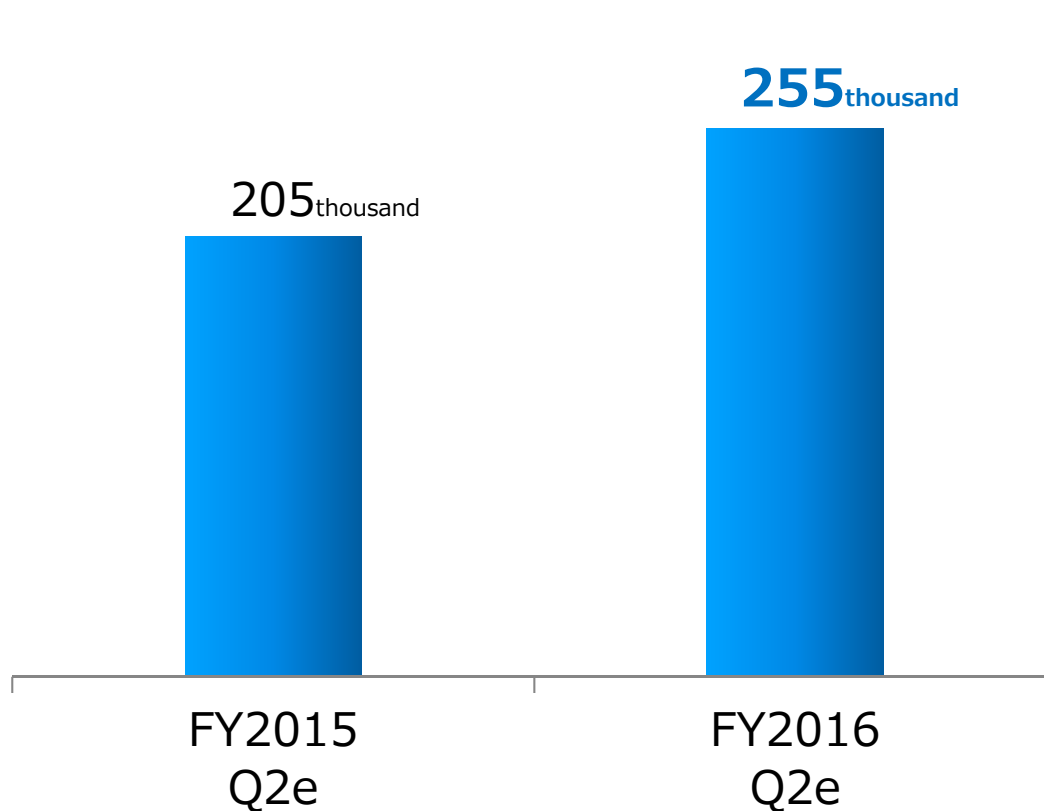


*Based on number of reservations, cancels are not counted.

(Topics: Domestic Business)

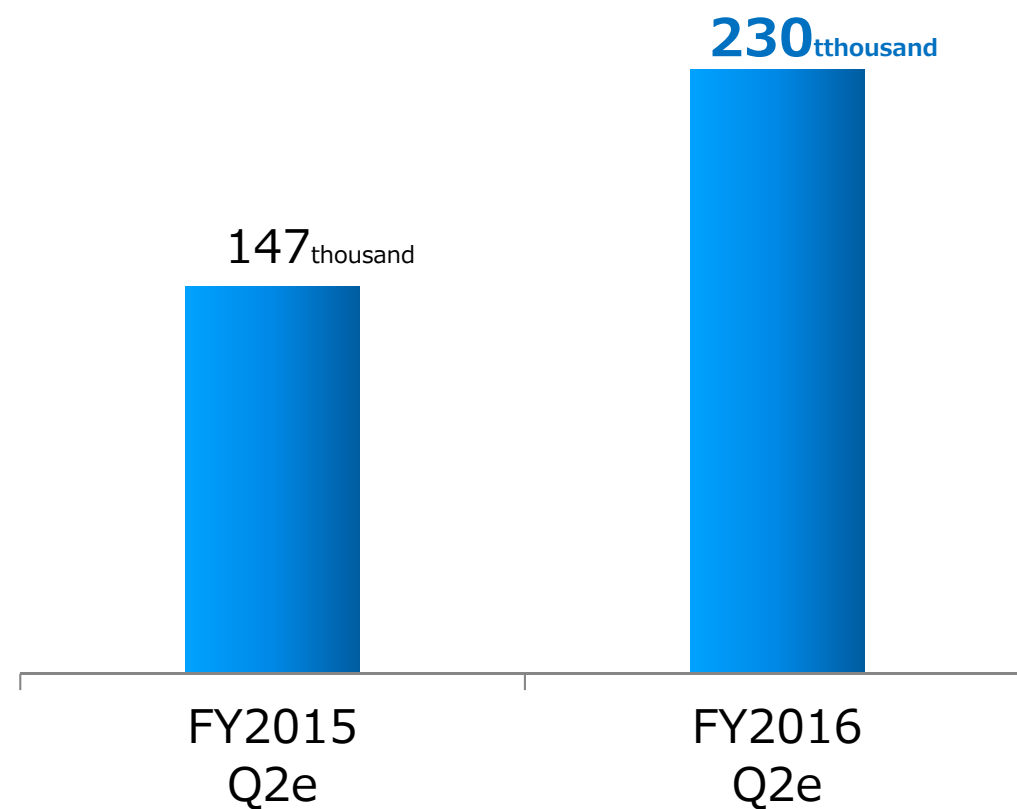
■ Business support for SMEs

Air REGI # of accounts



■ Education related business (Educational industry)

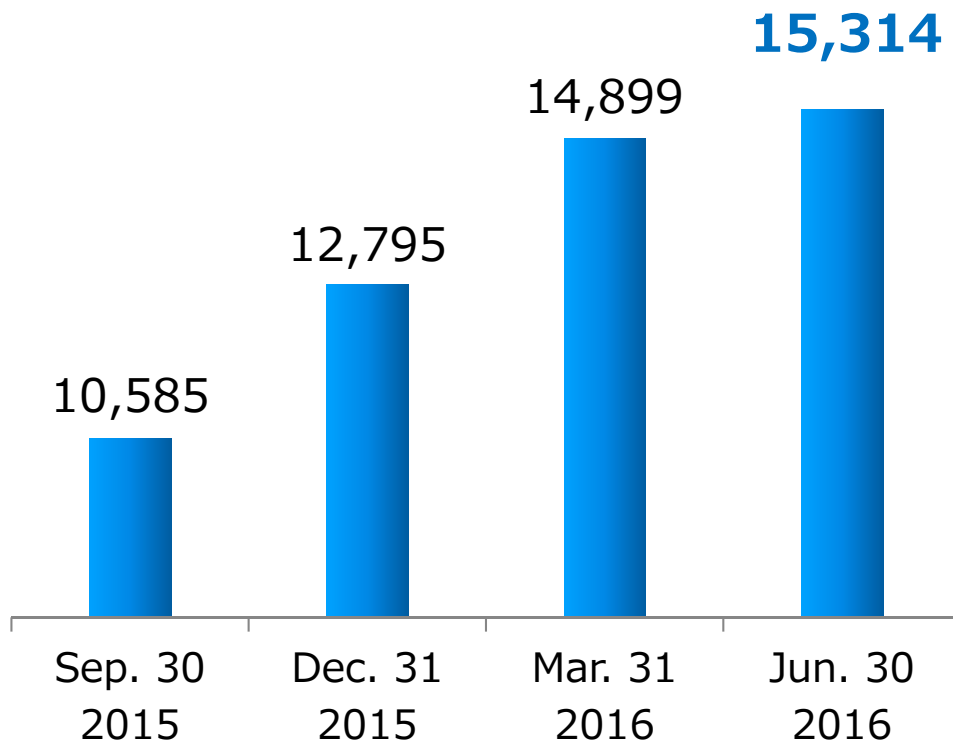
Study Sapuri high school student course #of paying subscribers



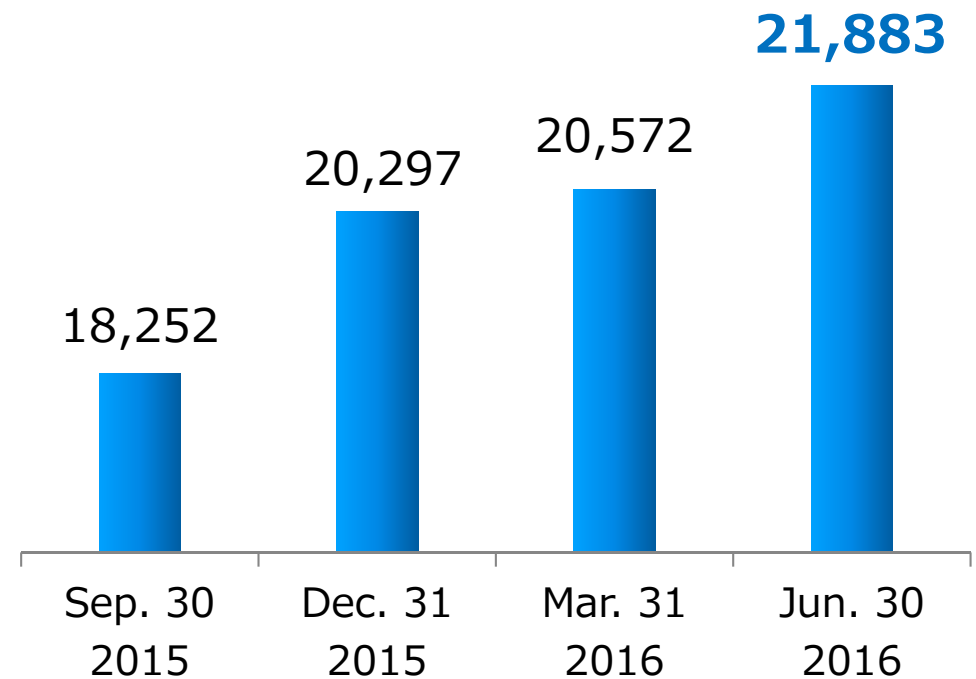
(Topics: Overseas Business)

- Focus on acquisition of user-capturing restaurants and salons for the future, regarding achievement of a certain number clients acquisition

Quandoo
of restaurants
(overseas dining business)



Treatwell
of salons*
(overseas beauty business)



* Online reservation website, Hotspring and Treatwell were unified into 'Treatwell' in January, 2016.

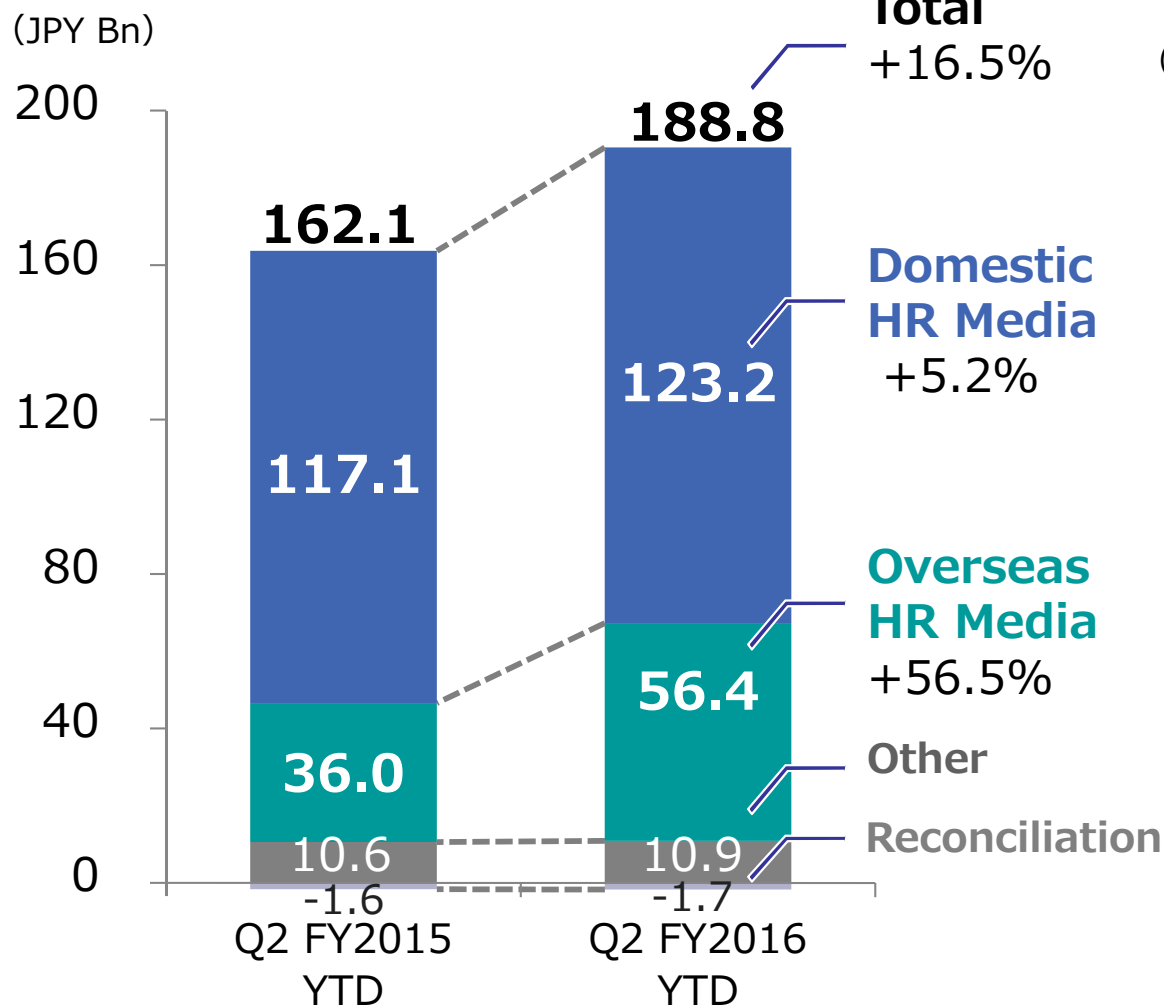
2. Earnings Results by Segment for Q2 FY2016

(Ⅱ) HR Media

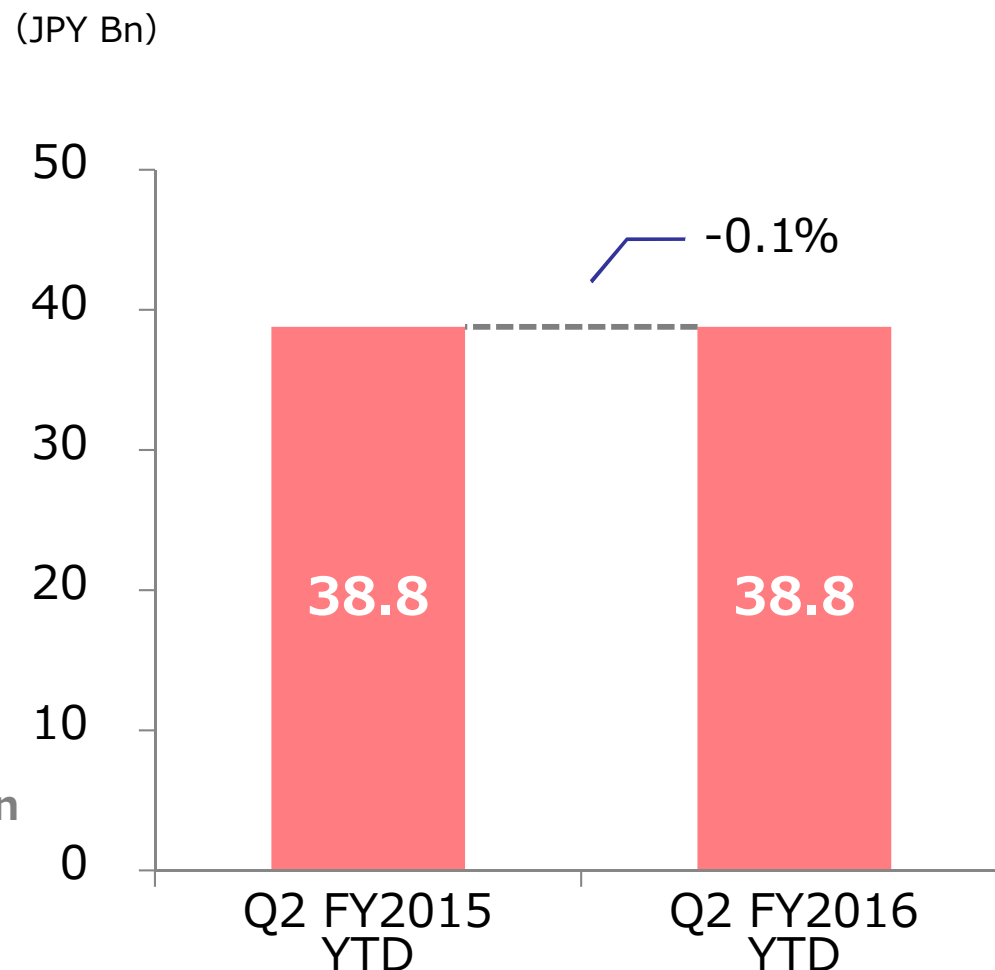
2-(Ⅱ) HR Media Net Sales & EBITDA

- Net sales: +16.5% YoY — Recording favorable trend both in domestic and overseas
- EBITDA : -0.1% YoY — Still making steady progress toward our forecast
an impact from up-front investment in domestic & overseas competitive ability

HR Media Net Sales



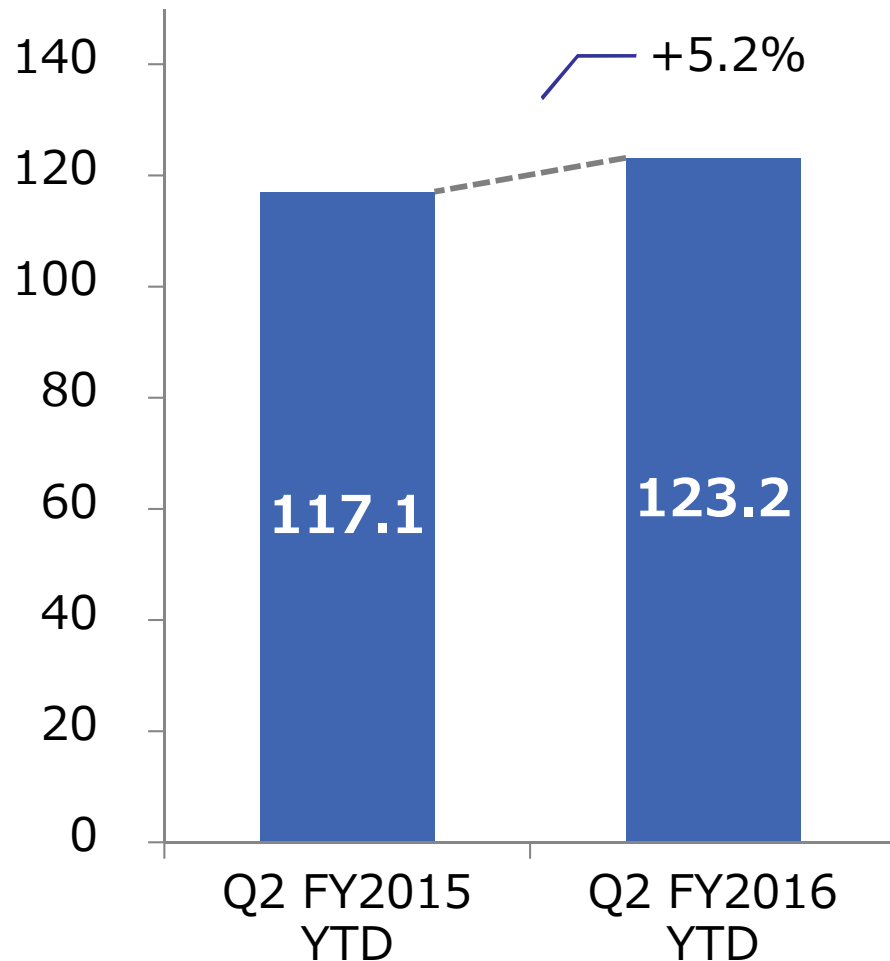
HR Media EBITDA



2-(Ⅱ) HR Media: Domestic Recruiting

Domestic Recruiting Net Sales

(JPY Bn)



■ Favorable market environment

- The effective ratio of job offers to job seekers was stable at a high level.
- Number of recruitment ads continued to increase.

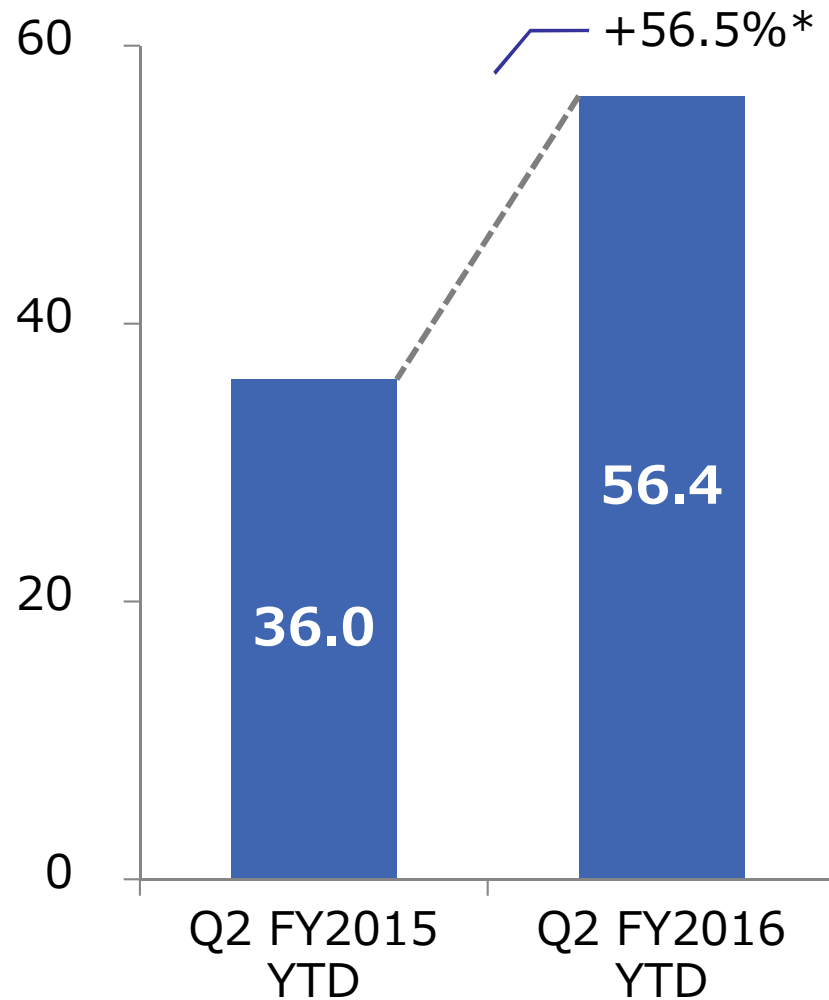
■ Favorable net sales

- Reflecting measures for user-acquisition and operating system enhancement.

2-(Ⅱ) HR Media: Overseas Recruiting

Overseas Recruiting (Indeed) Net Sales

(JPY Bn)



■ Favorable Net Sales

- SMEs clients increased steadily.
- Focus on strengthening client base outside the US, in addition to user acquisition enhancement.

* +68.5% in local currency

2. Earnings Results by Segment for Q2 FY2016

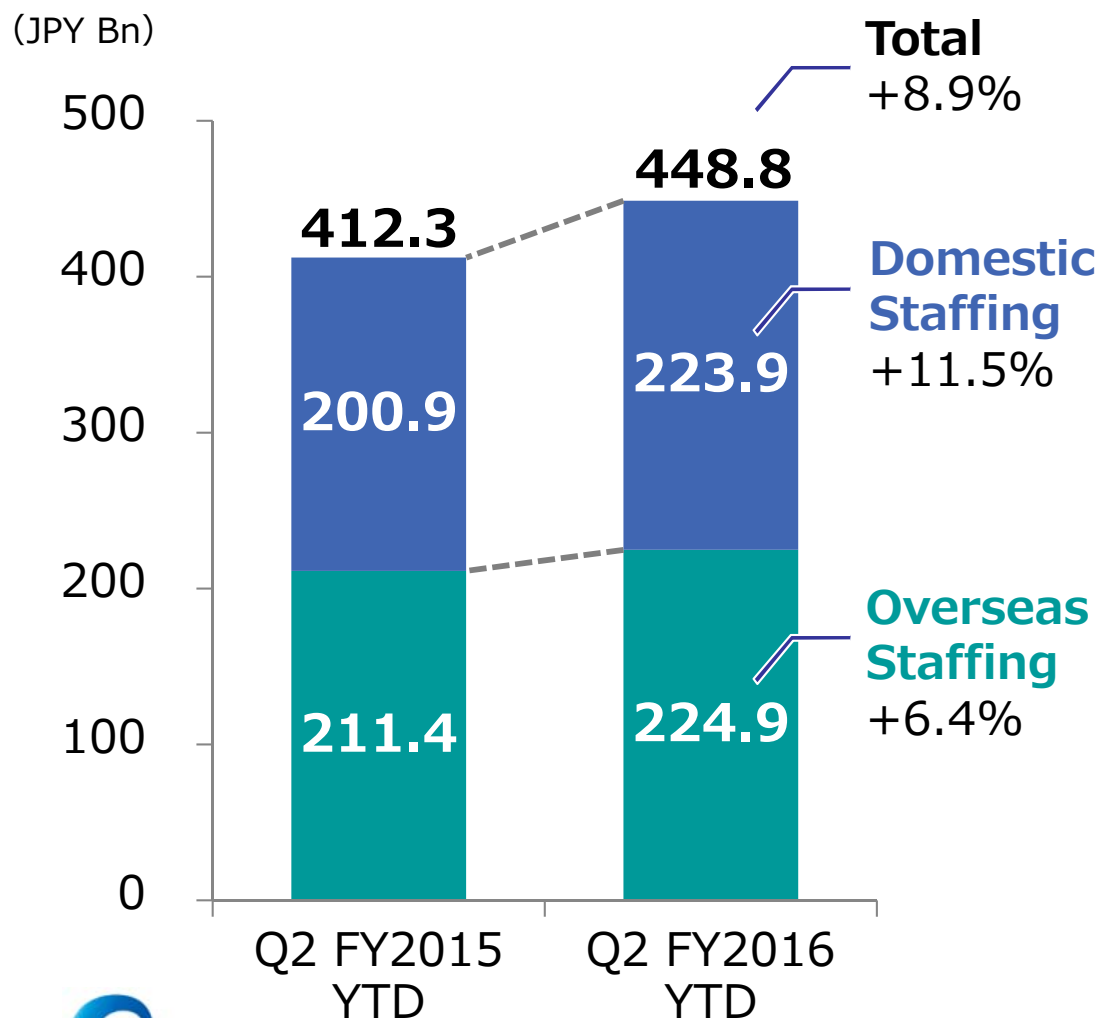
(Ⅲ) Staffing

2-(Ⅲ) Staffing Net Sales & EBITDA

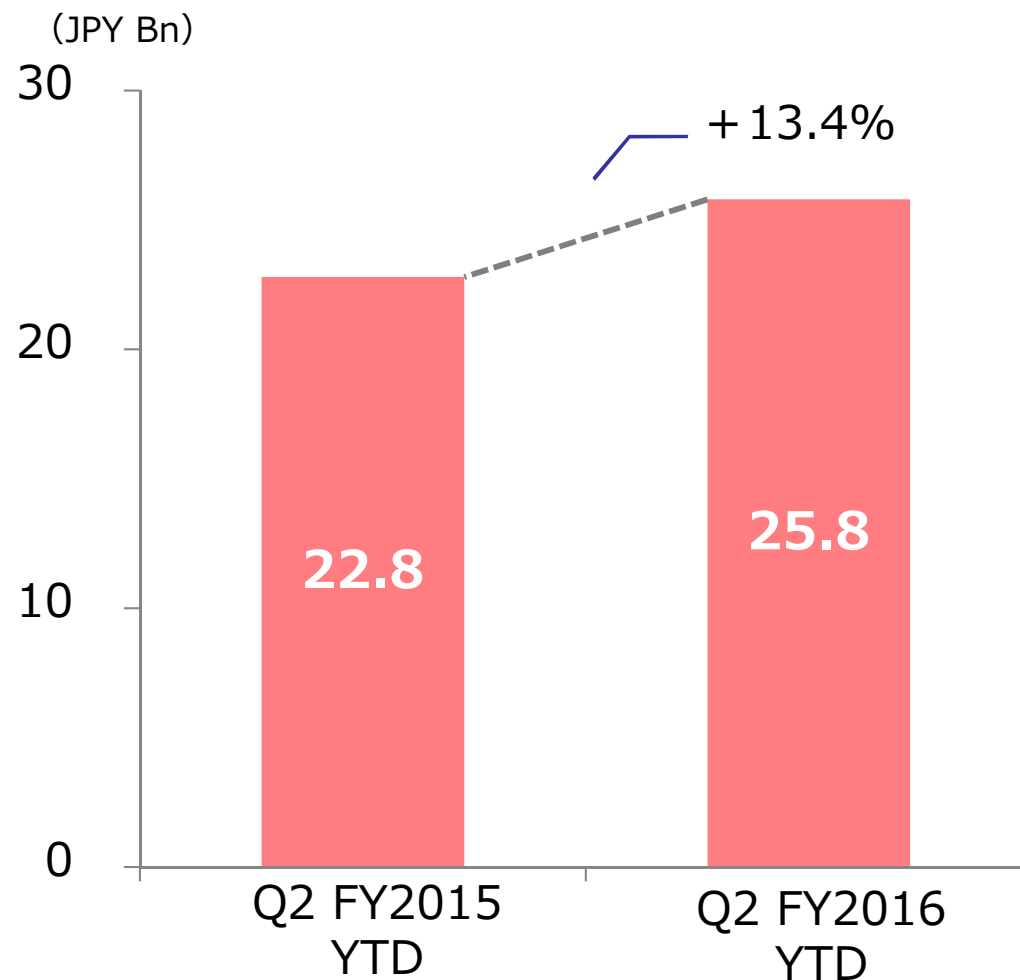
■ **Net Sales: +8.9% YoY** Favorable trend in domestic business / Contribution from new overseas subsidiaries consolidated in FY2015

■ **EBITDA: +13.4% YoY** Due to net sales increase and efficient operation

HR Media Net Sales

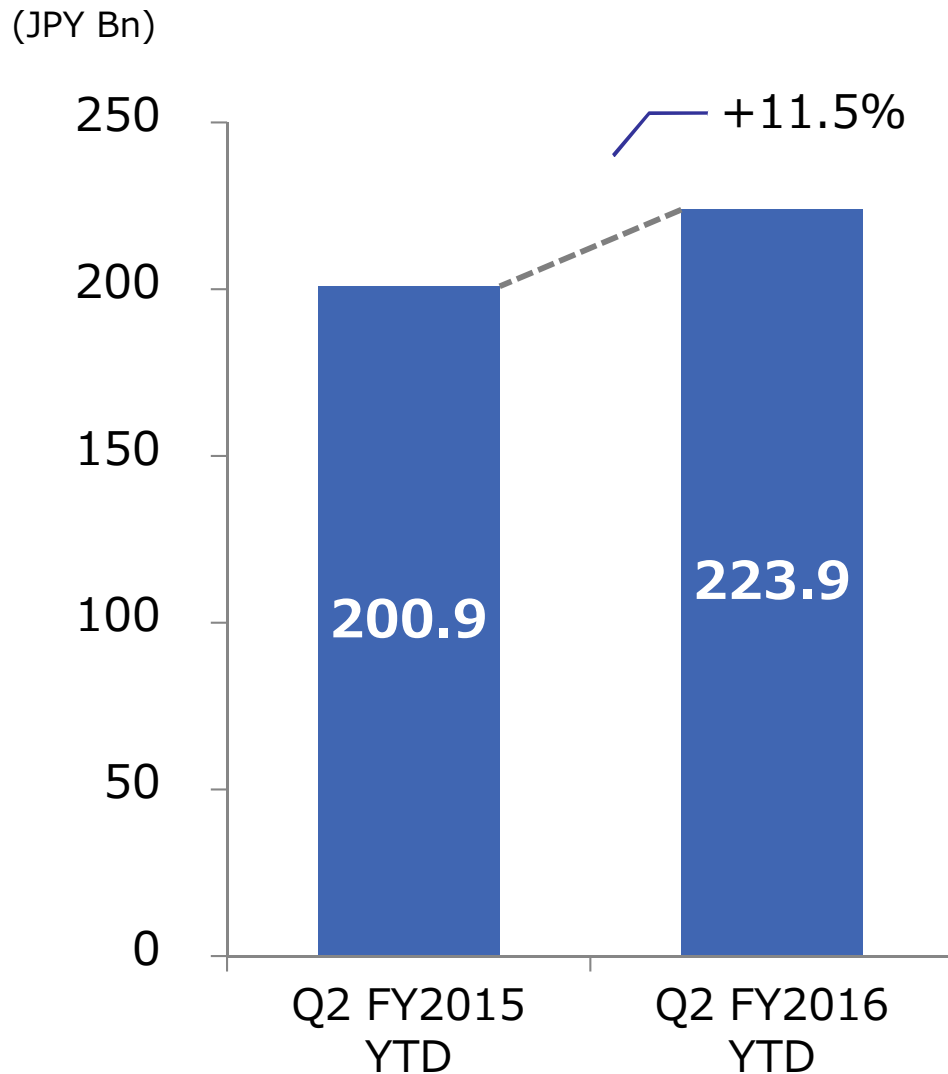


HR Media EBITDA



2-(Ⅲ) Staffing : Domestic Staffing

Domestic Staffing Net Sales



■ Solid Market Condition

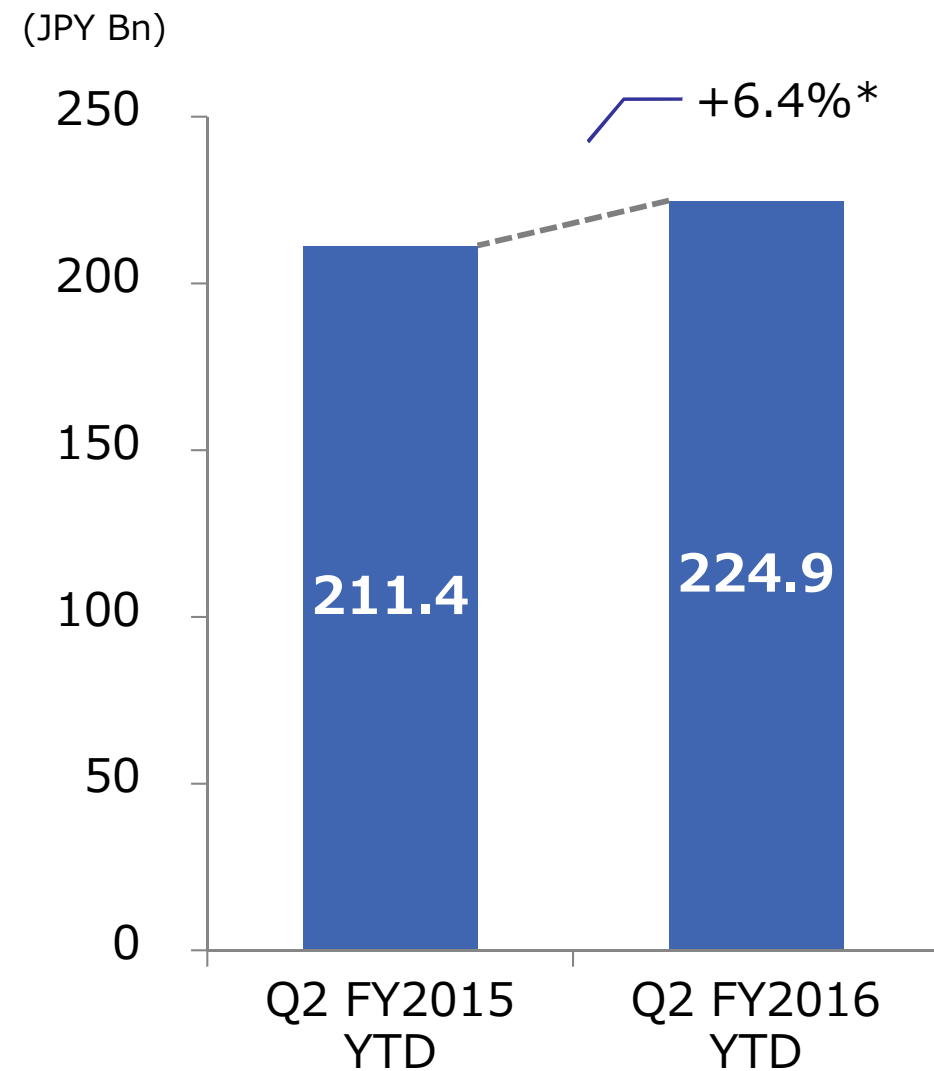
- Number of active agency workers (quarterly average) continued to increase. It was stable at a high level.

■ Favorable Net Sales

- Net sales trended favorably.
- Continuous favorable growth of clerical, IT personnel mainly in the Tokyo metropolitan area.

2-(Ⅲ) Staffing : Overseas Staffing

Overseas Staffing Net Sales



■ Solid Market Condition

- Moderate GDP growth continued in North America, Europe, and Australia.

■ Favorable Net Sales

- Net sales increased due to a positive impact from Peoplebank, Chandler, and Atterro consolidated from the beginning of this fiscal year.

* +18.0% in local currency

FY2016 Full-year Forecast

(JPY Bn)	FY2015	FY2016		
	Full-year	Full-year Forecast announced on May 13 *	Full-year Forecast revised on July 27 *	YoY Change
Net sales	1,588.6	1,690.0	1,830.0	+15.2%
EBITDA *1	202.2	217.0	223.0	+10.3%
EBITDA margin	12.7%	12.8%	12.2%	-0.4pt
Operating income	114.0	121.5	117.0	+2.6%
Ordinary income	119.3	126.5	122.0	+2.2%
Net income attributable to owners of the parent	64.5	61.5	74.0	+14.7%
Net income before amortization of goodwill *2	112.4	110.5	128.5	+14.2%
Dividend per share (JPY)	50	50	50	—
Adjusted net income *3	118.3	121.5	124.5	+5.2%
Adjusted EPS (JPY) *4	209.57	215.14	223.47	+6.6%

(Ref) Existing business FY2016 **		
Full-year Forecast announced on May 13 *	Full-year Forecast revised on July 27 *	YoY Change
1,690.0	1,680.0	+5.8%
217.0	215.3	+6.5%

* Assumed foreign exchange rates for FY2016: JPY115.00/USD, JPY81.00/AUD, JPY125.00/EUR (Assumed foreign exchange rates for consolidation of USG People B.V.: JPY117.00/EUR)

** In the first quarter of FY2016, USG People B.V. and its subsidiaries are consolidated to Recruit Holdings. Earnings of the companies will be included in Recruit Holdings' results from the third quarter, since deemed acquisition date was June 30, 2016.

*1-*4 Refer to p.31 Notes

Appendix

Company Profile

Company Name	: Recruit Holdings Co., Ltd.
Capital	: 10 billion yen
Stock Exchange Registration	: Tokyo Stock Exchange 1st Section (Stock Code : 6098)
Number of Shares Issued	: 565,320,010
Number of Shareholders	: 47,397



















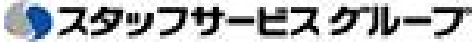




Name of Major shareholders	Number of Shares	% of shares
TOPPAN PRINTING CO., LTD.	37,700,000	6.66%
Dai Nippon Printing Co., Ltd.	23,700,000	4.19%
DENTSU INC.	21,000,000	3.71%
The Recruit Group Employees Shareholding Association	20,242,760	3.58%
JP MORGAN CHASE BANK 380055	19,668,848	3.47%
Japan Trustee Services Bank, Ltd. (trust account)	12,993,300	2.29%
Tokyo Broadcasting System Holdings, Inc.	11,110,000	1.96%
Nippon Television Network Corporation	11,110,000	1.96%
The Master Trust Bank of Japan, Ltd. (trust account)	10,820,600	1.91%
NTT DATA Corporation	10,500,000	1.85%

Type of Shareholder	Number of Shares	% of shares
Financial Institutions	94,748,600	16.76%
Securities Companies	3,972,549	0.70%
Other Companies	169,017,421	29.89%
Foreign Institutions and Individuals	176,105,222	31.15%
Individuals and Others	113,290,397	20.04%
Treasury stock	8,185,821	1.44%



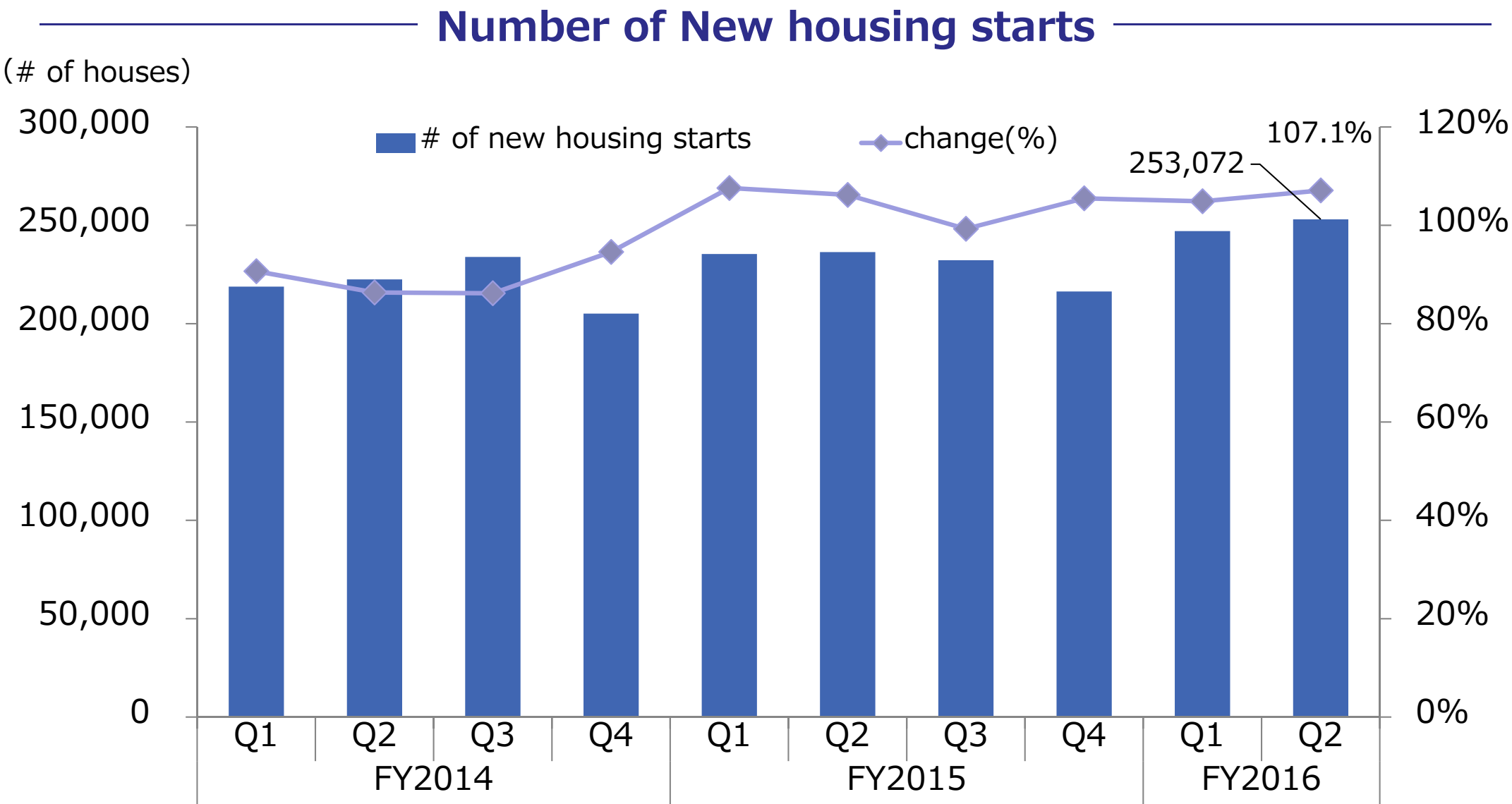
*As of September 30, 2016

Business Segments & Major Services

Marketing Media	Life Event	Housing and Real Estate, Bridal, Automobiles, Education, other    
	Lifestyle	Travel, Dining, Beauty, other   
	Other	(Overseas)   
HR Media	Domestic Recruiting	Job Advertising, HR Placement    
	Overseas Recruiting	Job Advertising 
	Other	Executive Search, HR Training  
Staffing	Domestic Staffing	(Domestic)  
	Overseas Staffing	(Overseas)    

*As of the end of Q2 FY2016

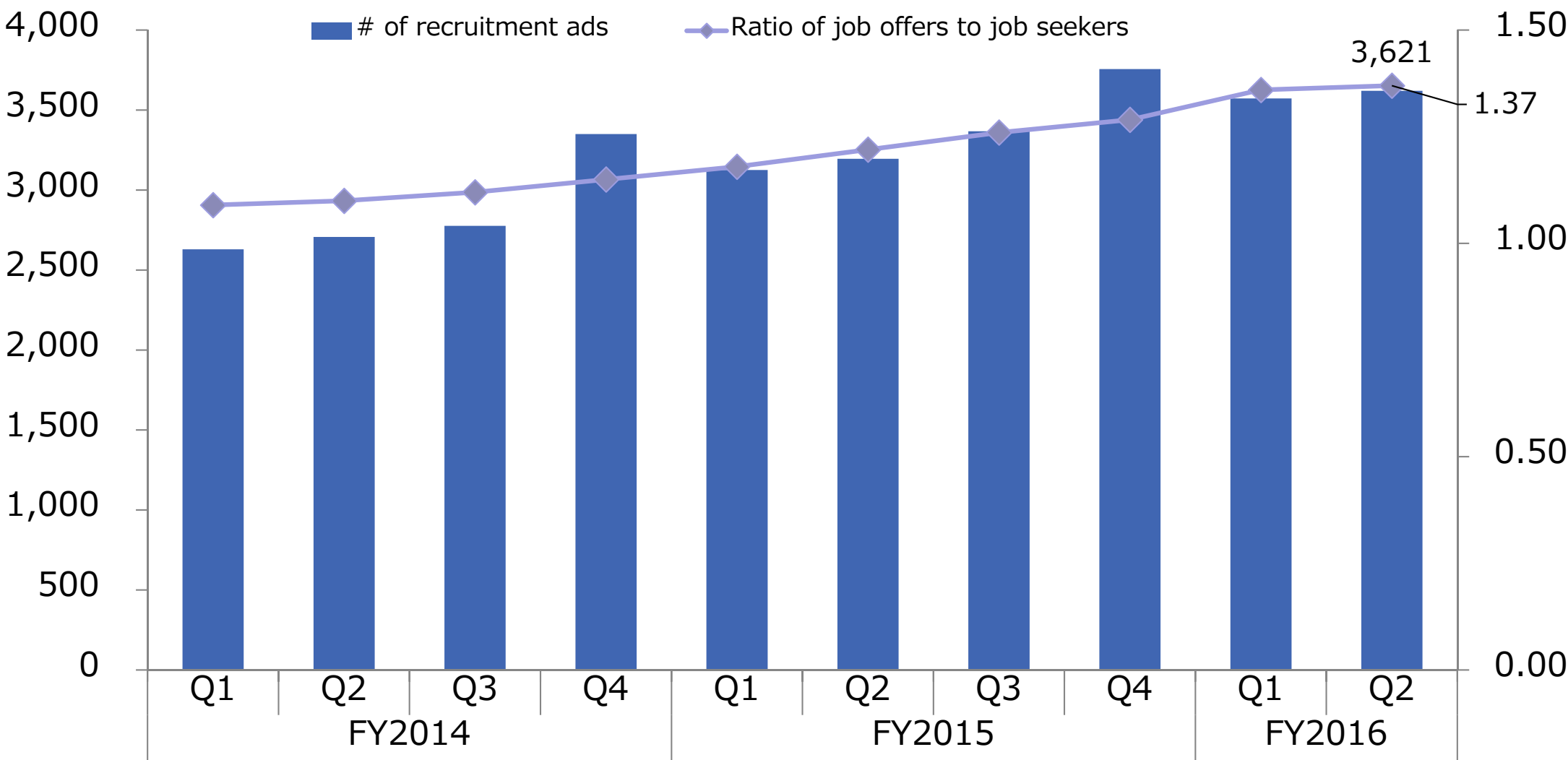
Market Conditions: Housing and Real Estate Business



Market Conditions : Domestic Recruiting Operation

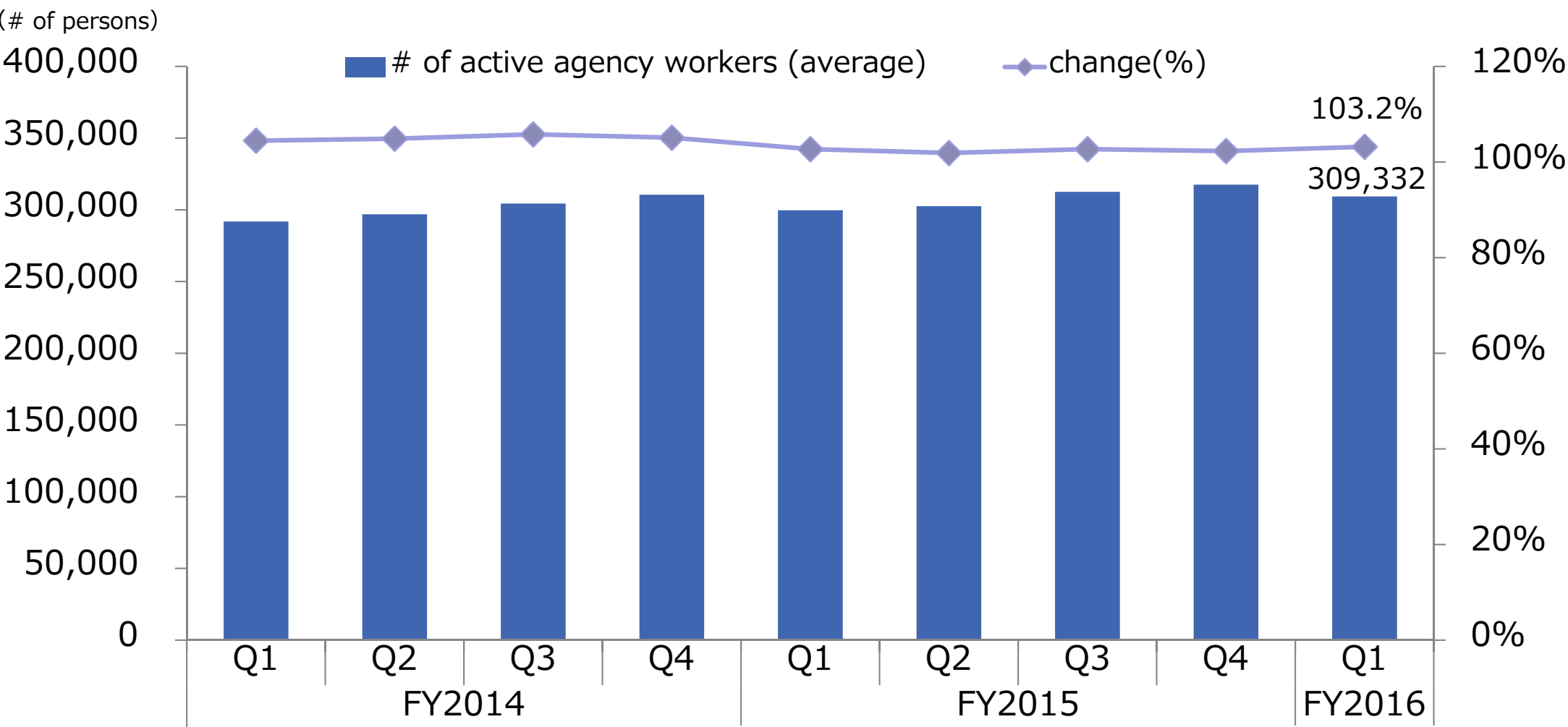
Number of recruitment ads/Ratio of job offers to job seekers

(Unit: thousand)



Market Conditions : Domestic Staffing Operation

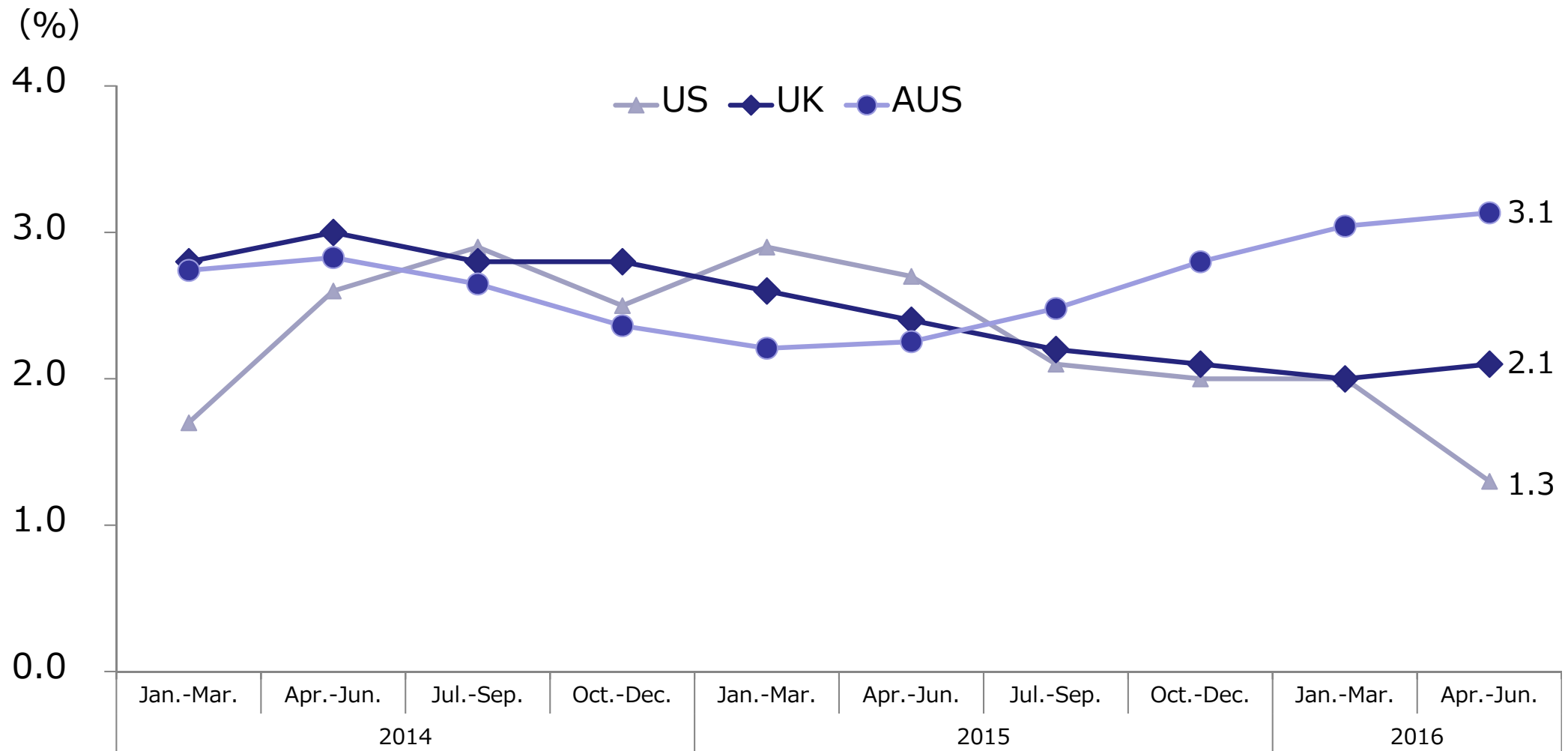
Number of active agency workers



*Source: Japan Staffing Services Association

Market Conditions : Overseas Staffing Operation

Real GDP Growth Trends (US/UK/AUS)



*Source :

- U.S. Department of Commerce: National Income and Product Accounts Table 1.1.11. Real Gross Domestic Product: Percent Change From Quarter 1Year Ago
- UK Office for National Statistics Gross Domestic Product: Quarter on quarter previous year
- Australian Bureau of Statistics, 5206.0 - Australian National Accounts: National Income, Expenditure and Product

Notes

- *1 EBITDA: operating income + depreciation and amortization + amortization of goodwill
- *2 Net income before amortization of goodwill: net income attributable to owners of the parent + amortization of goodwill
- *3 Adjusted net income: net income attributable to owners of the parent \pm adjustment items* (excluding non-controlling interests) \pm tax reconciliation regarding the adjustment items
 - * Adjustment items: amortization of goodwill and intangible assets arising due to business combinations \pm extraordinary income/losses
- *4 Adjusted EPS: adjusted net income / (number of shares issued at the end of the period - number of treasury stock at the end of the period)

Note: The provisional accounting treatment for business combinations was finalized on March 31, 2016.

The quarterly consolidated financial statements for the six months ended September 30, 2015 have been revised to reflect the finalization of said accounting.